

## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.11.2010

Wall Street Journal: "Fannie Mae Needs \$8.4 Billion More ... Fannie Mae asked the U.S. government for an additional \$8.4 billion in aid after posting an \$11.5 billion net loss for the first quarter, the latest sign that the bailout of the mortgage investor and its main rival, Freddie Mac, is likely to be the most expensive legacy of the U.S. housing-market bust."

Wall Street Journal: "Senators Seek Proprietary Trading Ban for Big Banks ... Senate Democrats are proposing that a highly lucrative type of trading by large banks be prohibited, and that a ban be placed on conflicts of interest within the banks."

Wall Street Journal: "Fed to Defend Loan Plan ... The Federal Reserve sought to pre-empt criticism of its decision to reopen a controversial lending program, in which it funnels U.S. dollars to the European Central Bank and other central banks overseas, by arguing the move was necessary to prevent Europe's crisis from reaching U.S. shores."

Washington Post: "SEC asks exchanges to devise new trading rules ... Federal regulators on Monday gave U.S. stock exchanges 24 hours to devise a market-wide plan to stop or slow trading in stocks that are falling rapidly, in an effort to avoid a repeat of Thursday's violent swings in the financial markets, according to sources familiar with the matter."

Washington Post: "Senators are set to vote on amendment to audit Federal Reserve ... Lawmakers on Tuesday are likely to vote on an amendment by Sen. Bernard Sanders (I-Vt.) to expand oversight of the Federal Reserve."

Washington Post: "Republican senators pressing to end federal control of Fannie, Freddie ... As the Senate resumed debate Monday on legislation to overhaul financial regulation, leading Republican lawmakers are pushing an amendment that would wind down the government-controlled mortgage finance giants Fannie Mae and Freddie Mac."

NY Times: "Regulators Vow to Find Way to Stop Rapid Dives ... Federal financial regulators forged ahead on Monday to try to prevent a repeat of last week's roller-coaster stock ride, though they had not determined the cause of the sudden, steep decline in prices on Thursday."

LA Times: "Fannie Mae posts \$13.1-billion loss, seeks \$8.4 billion in aid ... Fannie Mae, the mortgage giant that was bailed out by taxpayers, reported a quarterly loss of \$13.1 billion and said there are doubts about its long-term viability as it asked the Treasury Department for more money."

USA Today: "Federal Reserve to test plan to offer banks CDs ... The Federal Reserve will soon begin testing a new tool to soak up vast sums of money it injected into the economy to stem the financial crisis."

The New Republic: "Close Call ... Last Wednesday, Arkansas Senator Blanche Lincoln took to the Senate floor and delivered about as fiery a speech as you'll hear in the chamber, at least on the subject of financial reform. "Currently, five of the largest commercial banks account for ninety-seven percent of the [derivatives market]," she said."

Investor's Business Daily: "Fannie-stein ...Bailout: When the federal government plays mad scientist, it doesn't destroy the monster it realizes it's built. Instead, after wreaking global economic havoc, Fannie Mae gets the taxpayers' blank check."

Politico: "Big banks hire D.C. heavyweights ... The nation's six largest banks and their trade associations have hired more than 240 former government officials-turned-lobbyists to represent them in the fight over Wall Street reform, according to a new report by several progressive groups."

The Hill: "Wall Street fight tests oil's clout after BP spill ... A proposed amendment to the Senate's Wall Street reform legislation has prompted a lobbying fight that will test the oil industry's political clout following the Gulf of Mexico spill."

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